TELECOMMUNICATIONS/School, Library, & Rural Health Discounts

SUBJECT: Telecommunications Competition and Deregulation Act of 1995 . . . S. 652. Snowe motion to table the McCain amendment No. 1262.

ACTION: MOTION TO TABLE AGREED TO, 58-36

SYNOPSIS: As reported, S. 652, the Telecommunications Competition and Deregulation Act of 1995, will amend

telecommunications laws and reduce regulations in order to promote competition in the telecommunications industry by eliminating barriers that prevent telephone companies, cable companies, and broadcasters from entering one another's markets. It will also permit electric utilities to enter the cable and telephone markets. Judicial control of telecommunications policy, including the "Modified Final Judgment" regime, will be terminated.

The McCain amendment would strike section 310. Section 310 will require the following discounts:

- essential telecommunications carriers, upon request, will provide telecommunications services necessary for the provision of health care services to rural public and non-profit health care providers at rates that are comparable to the rates charged for similar services in urban areas; and
- any telecommunications carrier, upon request, will provide universal service at rates that are affordable and not higher than the incremental cost thereof to elementary schools, secondary schools, and libraries for services that permit such schools and libraries to provide educational services.

("Essential telecommunications carriers" are defined as carriers that will be designated by the Federal Communications Commission (FCC) as the carriers that must provide universal service; "universal service" is defined as those services which the FCC will determine should be available for all Americans at just, reasonable, and affordable rates).

Debate was limited by unanimous consent. Following debate, Senator Snowe moved to table the McCain amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

(See other side)

YEAS (58)			NAYS (36)			NOT VOTING (6)	
Republicans	Democrats (44 or 98%)		Republicans (35 or 71%)		Democrats (1 or 2%)	Republicans Democrats	
(14 or 29%)						(5)	(1)
Bond Campbell Chafee Cochran Cohen DeWine Domenici Hatfield Jeffords Kassebaum Simpson Snowe Specter Thomas	Akaka Baucus Bingaman Boxer Bradley Breaux Bryan Bumpers Byrd Conrad Daschle Dodd Dorgan Exon Feingold Feinstein Ford Glenn Graham Harkin Hollings Inouye	Johnston Kennedy Kerrey Kerry Kohl Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Moynihan Murray Nunn Pell Pryor Reid Robb Rockefeller Sarbanes Simon Wellstone	Abraham Ashcroft Bennett Brown Burns Coats Coverdell Craig Dole Faircloth Frist Gorton Gramm Grams Grassley Gregg Hatch	Hutchison Inhofe Kempthorne Kyl Lott Lugar Mack McCain McConnell Nickles Packwood Pressler Roth Santorum Smith Thompson Thurmond Warner	Heflin	D'Amato-² Helms-² Murkowski-² Shelby-² Stevens-² Stevens-² EXPLANAT 1—Official 1 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	nily Absent nnced Yea nnced Nay Yea

VOTE NO. 244 JUNE 8, 1995

The McCain amendment would strike one of the most important provisions from this bill. In deregulating the telecommunications industry, which we support, tremendous growth in information technologies will result. The wealth of information, analyses, and services that will be available at the touch of a button will be absolutely enormous. However, if we simply allow the wealth of individuals to determine who has access, the result will be the creation of a two-tier country. Many people, particularly in rural States, will be denied access to the information superhighway. Companies will obviously market their products in areas where they can achieve an economy of scale, and obviously those people with more wealth will gain more services. Thus, we can expect urban areas, and large organizations, to gain easy access to new technologies, but individuals and small organizations, particularly in rural communities, will likely be left behind. Those people who have access to this information will see their lives improve tremendously. We expect that the disparity in income that will result between those people who have access to the new technologies and those who do not will exceed 30 percent. The difference will not simply be measured in terms of money; it will also be measured in lives. Telemedicine and other telecommunications advances will save lives in rural areas, but only if rural health care providers have access to them. To make sure that deregulation does not result in a division in America, in which the advances benefit only some Americans, one small provision in this bill will require that schools and libraries will get information services at affordable rates, and that rural health care providers will get services at the same rates those services are offered to urban health care providers. The best points for ensuring universal access to information are the schools and libraries, and the best way to keep our rural health services up to date is to make sure they have full access to the medical information they need to stay modern. Though this amendment will not be subject to a great deal of debate, we think that our votes against it will probably be the most important votes we have ever cast in the Senate for equity for all Americans, and for protecting the rights of rural States. Passing this bill will add trillions of dollars to the economy over the next couple of decades; we think everyone, including rural America, should share in the wealth, so we strongly support the motion to table.

Those opposing the motion to table contended:

We have nothing against libraries, schools, or rural health care providers. We do, however, have a great deal of problems with the way this bill purports to help them by mandating that they receive discounted telecommunications services. Specifically, this bill will require the provision of discounted services to libraries, schools, and rural health care providers. Our first objection is that this requirement is an unfunded mandate. Senators from both parties made lengthy and eloquent speeches earlier this year before passing a bill to restrict the imposition of unfunded mandates. That bill has not yet gone into effect, and our colleagues now seem intent on slipping this mandate in under the wire. We have no idea of the costs involved with this mandate--no attempt has been to even hazard a guess. Second, we suspect that trying to regulate rates in the rapidly changing telecommunications environment will do more harm than good for these entities. Schools and libraries may constantly find themselves behind the curve as bureaucrats first decide which services must be discounted and second decide by how much, using the "affordable" and "incremental cost" standards. Third, we find it very questionable to suggest that providing telecommunications services to rural health care providers will prove more costly than it does to urban providers. The difference in time in bouncing a signal off of a satellite to Wyoming and bouncing that signal to New York is measured in milliseconds, and the difference in cost is infinitesimal. Those Senators who have said that rural areas will experience the same problems with service that came from airline deregulation if this amendment is approved are clearly wrong. While it is true that since deregulation airlines have no longer been willing to fly nearly empty jets to places like West Virginia, and make everyone else flying busier routes subsidize the cost, it is also true that on the information superhighway, the cost of flying information to West Virginia, New York, Alaska, and all other destinations will be the same. It makes absolutely no sense to set up a regulatory subsidy scheme to even out prices across the country when the free market should result in even prices without the scheme. Fourth, this area does not need Federal involvement. Schools and libraries are local concerns. If State Governments want them to have discounts, they should require them, not the Federal Government. Finally, the unartful drafting of this bill language will require the subsidization of rich people and organizations and may result in some very controversial subsidies. For example, rich private schools would be eligible for subsidies, as would financially well-off private rural hospitals. Further, as the bill is drafted, it could reasonable be said to require that subsidies be given to abortion clinics, or to on-line libraries, which could demand that for-profit databases give them their services at cost. Senators who wish to ensure that all people have a chance to benefit from new technologies are well intentioned, but they are misguided in their belief that getting the Government involved with mandates and regulations will help. The subsidies for schools, libraries, and rural health care providers that are in this bill are ill-advised and should be stricken. We therefore strongly oppose the motion to table the McCain amendment.